

# North American Management Briefs

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## You Should Know...

### Expensive Sweet Tooth?

The production cost of milk chocolate has surged by 25% in the last year due to a growing demand in emerging markets and bad weather in the cocoa-producing countries resulting in a 7% increase in price at the retail level.

**The Point:** Yes, Halloween was more expensive this year.

### Now That's Tough

A Canadian man fended off an attacking black bear by grabbing hold of its tongue. He was sleeping and woke up to find a bear on top of him with its mouth wide open ready to bite. He grabbed its tongue and held on and the shocked bear ran away.

**The Point:** We can't say we advise this, but we're happy he wasn't hurt.

### Candy is Dandy

A Brooklyn man is suing the NYPD after he was arrested for possessing six Jolly Rancher candies that the police assumed were rocks of crystal meth.

**The Point:** We wonder if he got the candy back.

### Where the Men Are

Nine of ten workers lured to North Dakota by the oil boom are men. Williston with a population of 15,000 in 2010 has attracted an additional 15,000 workers, mostly men, in the last two years.

**The Point:** It sounds like a gold rush.

### November's Quote

*"You can do anything, but not everything."*

David Allen

## Behavioral Targeting

Marketers tend to define behavioral targeting in two different ways. Digital targeting which is a pure data play based on how people behave statistically to determine what to do to convert them to customers.

Psychographic targeting which marketing theorists view as an exercise in psychological research aimed at learning why customers react the way they do and then using that information to shape long-term branded marketing strategies.

Both are important and complementary. To understand behavioral targeting it's helpful to review the two components of knowledge; data and information, and the explanation.

Digital targeting is extremely helpful in narrowing the size of a target market and sorting it by several meaningful criteria including usage, access to financial resources, geography, etc. This data and information is critical, but it is only one component of knowledge.

The explanation, or the reason for the "behavior," is the second component of knowledge. This is most effectively done by employing "non-digital" research techniques such as market surveys, competitive intelligence, focus groups, interviews with ex-customers, etc.

For example a manufacturer of auto body products may find that business has increased dramatically on the Gulf Coast of Florida and Texas. Does this mean that additional resources should be focused on this geographic market segment? Maybe yes and maybe no!

If the population in this area is growing, as is its affluence, it may well be a fertile area for behavioral targeting.

Alternately the explanation may be that a number of cars were damaged by a tropical storm (a one-time or perhaps once in a decade occurrence), as such this area should not be intensively targeted.

In other words, the explanation of the numbers is key in understanding them and how to react to them.

This is especially true when you're trying to develop new products for your current markets. Sales of existing products (yours or your competitors') may give you valuable data and information regarding growth trends, package sizes, style preferences, etc.

Interviewing these customers, however, to determine what new features and different products they require is necessary to fully capture the opportunity.

**The Point:** Obtaining and understanding data and information is the critical first step in behavioral targeting, but equally important is obtaining the explanation which must often be dug out via interviews and market research.

### Top 10 Ancestries of the US Population

Ancestry Group	Millions
German	42.8
Irish	30.5
Afro-American	24.9
English	24.5
American	20.2
Mexican	18.4
Italian	15.6
Polish	9
French	8.3
American Indian	7.9

Source: US Census Bureau